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destruction by earthquake, fire, flood, storm or other "acts of God," until they can be reconstructed. These costs may include purchase of or movement of portable structures, including costs of delivery, installation, and connection to utility systems. They may also include costs of any fixed equipment which is integral to such structures. Structure types for which such temporary replacement costs may be paid or reimbursed are as follows:

- (1) Employee quarters, if required for employee housing due to the isolation of the duty station, and on other housing is available within a reasonable commuting distance. Reasonable commuting distance will be determined under existing policies or by the Director.
- (2) Dormitories, including employee apartment space if integral to the operation of the dormitory.
- (3) Offices required for minimum essential administrative operations at the local school level.
- (4) Academic facilities, including classrooms, kindergartens, libraries and special instructional spaces such as vocational shops and home economics rooms.
- (5) Kitchens and dining facilities, including laundry and multipurpose spaces.
- (6) Infirmaries, clinics and health service spaces, in school locations in which such services are not otherwise available.
- (7) Separate restroom facilities, if none are otherwise available for operation of instructional and dormitory programs.

§39.74 Application procedures.

Application for disbursement from the School Disaster Contingency Fund shall be made to the Director of the Office of Indian Education Programs, through the Agency Superintendent of Education for the school affected. Applications shall be subject to review and comment by the Superintendent, and the Area Director for Education of the Area in which the school is located, but shall not require the approval of these officers. Such review and comment activities shall be carried out concurrently with the Director's processing of the application so that there

are no delays in the transmission of the application to the Director. The Director shall develop such application forms and requests for information and documentation as are necessary to prove both loss and the fact that replacement costs are outside the normal budgetary capacity of the school operation at either the local school, Agency or Area levels.

§39.75 Disbursement procedures.

Disbursements from the SDCF shall be made only on the direct authorization of the Director, on the merits of each such application received, on a first come, first served basis and in amounts determined at the Director's discretion in accordance with the purposes and expenditure prohibitions set forth in this section.

§39.76 Prohibitions of expenditures.

- (a) The following costs shall not be reimbursed or paid under the SDCF:
- (1) Capital expenditures for construction of permanent facilities.
- (2) Capital expenditures for reconstruction or refurbishment of facilities no longer in use except where such expenditure is the most cost effective way of temporarily replacing other destroyed facilities.
- (3) Temporary replacement of facilities or replacement of equipment which has simply become outmoded and obsolete, or which has been "condemned" or declared unserviceable by administrative procedures, which is either still in existence or has been razed or destroyed as the result of an administrative decision.
- (4) Costs of continued normal program operations which are not increased by a disaster.
- (5) Personnel costs, except for temporary personnel hired to meet an emergency situation.
- (6) Start-up costs for new or expanding school programs.
- (7) Costs of repairs necessitated by neglect, or failure to provide routine scheduled maintenance and minor repair.
- (8) Replacement costs of personal property of school employees, regardless of value or circumstances of destruction.